



Minutes of the IT Investment Board

September 25, 2003

Attendance

Members Present:

The Honorable George C. Newstrom (Chairman); Chris Caine; Jimmy Hazel; Hiram Johnson; Dr. Mary Guy Miller; Scott Pattison; Len Pomata; Walter Kucharski (ex officio—non-voting).

Members Absent:

James McGuirk; John Lee

Office of the Secretary of Technology and VITA Staff

Deputy Secretary of Technology Eugene Huang; Assistant Secretary of Technology Judy Napier; Deputy Chief Information Officer Cheryl Clark; VITA Director of Human Services Velma Ballard; VITA Director of Computer Services Leslie Carter; VITA Director of Telecommunications & Networking Services Bob Davidson; VITA Director of Business Systems Services Debbie Dodson; VITA Chief Financial Officer Austin Matthews; VITA Director of Customer Support Services Chris Saneda; VITA Director of Strategic Management Services Jerry Simonoff; VITA Director of Acquisition Services Susan Woolley; Special Assistant to the Deputy CIO Jenny Hunter; Roz Witherspoon, Executive Director, ITIB.

Call to Order

The Chairman called the meeting to order at 2:10 p.m. He welcomed Board members and other attendees to the second meeting of the Information Technology Investment Board (ITIB). Eight of the ten members were recorded as present by roll call. Chairman Newstrom introduced Roz Witherspoon, the newly hired Executive Director of the Board. An overview of the agenda was given.

Chief Information Officer (CIO): Search Process Update

Len Pomata, member of the ITIB Search Committee, stated that the committee had been working diligently in reviewing proposals of six search firms for consideration. A requirement that the fee be waived and services provided on a pro bono basis was made. Only four of the six firms' proposals were given consideration for review. Two of the four firms agreed to provide services pro bono – two did not agree to this requirement. After careful review, it was the recommendation of the committee that the board engage the services of McCormick (pro bono) and proceed immediately with the necessary paperwork in hiring the firm to start the search. Search committee members commented in concurrence with Mr. Pomata's report. Mr. Caine stated he felt McCormick would do a good job and was very supportive of the recommendation.

Mr. Hazel stated that the Board should proceed as quickly as possible in engaging the firm's services in order that the search be concluded and a CIO be hired by end of December 2003. He advised that although the service fees were waived, board members should be aware that other expenses would be incurred. Mr. Johnson echoed the comments of other board members and highlighted the firm's nationally renowned reputation in the IT field.

Mr. Pomata suggested that a meeting be engaged and the appropriate paperwork be initiated. A job description would be drafted for both the Board's and the search firm's review. He further suggested that human resources staff of the Department of Human Resource Management (DHRM) as well as the board, be involved in developing the content for the compensation package. DHRM and the search firm will be asked to advise on competitive market compensation packages. A full package (job description and benefits package) would be prepared and brought to the Board for review.

Mr. Caine reminded Board members that this process would require a great percentage of their time. The Search Committee would be involved in the initial screening based on proposed selection criteria, and top applicants would be referred to the Board.

Review of Commonwealth Technology Priorities Report

Prior to the presentation, Chairman Newstrom referenced the JLARC Report submitted on August 25, 2003. He thanked the members of the JLARC staff in highlighting their concerns and stated that the Priorities Report presentation would provide clarity in addressing those concerns. In addressing the timeliness of Board functions, he emphasized that a great deal of work had been done behind the scenes in meeting prescribed legislative deadlines. For example:

- VITA and the ITIB were established – July 1, 2003
- First meeting of the Board - August 5, 2003
- Priorities Report Due - September 1, 2003

Chairman Newstrom further stated that in the JLARC report, questions evolved regarding delegation of authority. He advised that he had been invited to the Senate Finance Committee meeting on October 30th to further address concerns. He also commented that he had spoken before the Joint Committee on Technology and Science addressing concerns in the JLARC Report.

The Priorities Report was submitted to the General Assembly on August 29, 2003, and resent with further modifications. The prioritized order of projects was received from individual secretariats and the Chairman emphasized that the CIO made no changes to the priority order or has made no decisions on behalf of the Board.

Cheryl Clark, Deputy CIO, introduced Dan Ziomek, Acting Division Chief of the VITA Project Management Team, who presented the "Review of the Commonwealth Technology Priorities Report." Mr. Ziomek addressed questions. Comments were as follows:

- For “active projects” - Need to segregate how much funds have already been allocated; how much is needed for completion;
- In relating projects to criteria, a template should be developed for the Board for review and deliberations in ranking priority;
- Chairman Newstrom has requested the Cabinet to entertain discussion as to what they believe project priorities should be;
- Chairman Newstrom suggested that “board sensitive” projects be reviewed. In prioritizing projects, they should be mission critical, enterprise-wide, have a source of funding, and noted status of the project process;
- Projects should have impact on the budget cycle;
- If agencies cannot give required information to support proposed projects, they will not be considered for review. The process of attaining needed information from agencies needs review;
- In reviewing projects, need to look at return on investments.

Following detailed discussion, Mr. Kucharski requested that a more business-like process be developed in determining project priority. This issue would be discussed at a future Board meeting.

Members of the VITA Project Management Team were commended for the time, effort, and hard work devoted to the development of the report.

Delegation of Authority Discussion

Chairman Newstrom stated that the concerns raised in the JLARC Report regarding delegation of authority from the Board to the CIO was not the legislator’s intent. He further stated that he has had further discussion with Senator Stosch, Delegate May, and Delegate Nixon regarding the transfer of the IT Investment Board Authority to the CIO and the specific delegations of authority on a day-to-day basis. The issue of the Priority Report referenced in the JLARC Report was of major significance because of the short timeframe for completion of September 1, 2003. Other matters dealing with the day-to-day authority of the CIO were not major in nature.

A copy of a September 19, 2003 letter from Senator Stosch and Delegate May were distributed to Board members. Three specific recommendations were made in the letter:

- the oversight responsibility be returned to the ITIB before major policy, planning and funding actions are taken;
- focus substantial effort to address project management personnel, along with adequate training, as promptly as possible; and

- the development of an alternative detailed funding plan for VITA implementation

Chairman Newstrom indicated that he had discussed the letter directly with Delegate May. He reported that Delegate May, as well as the General Assembly, would be satisfied if the Delegation of Authority was modified as stated in the letter, so that no “major policy, planning or funding issues” would be delegated to the CIO.

Mr. Johnson made a motion to rescind the delegation of authority passed at the August 5, 2003 meeting in its entirety, and that all authorities be returned to the Board. There being no second, the motion failed.

After questions were entertained and further discussion ensued, Dr. Miller made a motion that the Board amend the delegation of authority, rather than rescinding it. Mr. Hazel seconded the motion. Mr. Caine reiterated that the language in bold print on the amended delegation of authority was taken directly from the correspondence from Senator Stosch and Delegate May.

Mr. Johnson then made a second motion to table the amended delegation of authority until the October 15th meeting when the legislators would be present to further discuss their intent. Mr. Pattison seconded the motion. The motion to table failed 2-5 (see attachment).

The amended delegation of authority motion was approved 6-1 (see attachment).

Other Business

Mr. Kucharski suggested that at some point, the Board develop standing sub-committees to address specific, subject-related issues. Mr. Hazel agreed to the concept. Chairman Newstrom advised that this would be discussed at the October 15th meeting.

Roz Witherspoon will send a draft agenda of the October 15th meeting for the Board’s review.

Public Comment

Secretary Newstrom opened the floor to public comment. There was none.

Adjourn

Secretary Newstrom thanked the members for coming and adjourned the meeting at 4:03 p.m.